

1992
QUARTERLY
REPORT

Period Ending
September 30, 1992



USMXX

FINANCIAL HIGHLIGHTS

(Amounts in Thousands)

FINANCIAL RESULTS

	Third Quarter		Nine Months	
	1992	1991	1992	1991
Revenue from Gold Sales.....	\$ 5,674	\$ 5,181	\$11,992	\$12,113
Gross Operating Margin	637	1,184	1,537	3,049
Other Income	279	320	798	798
Pre-Tax Earnings (loss)	(34)	276	(342)	999
Net Earnings	303	220	69	798
Net Earnings per Share	0.020	0.016	0.005	0.057

OPERATIONS

Gold Production (oz)			
Alligator Ridge	4,334	6,141	8,347
Casino/Winrock	5,489	2,582	16,862
Green Springs	852	1,542	1,553
Yankee	5,051	0	6,257
Total Production	15,727	10,265	33,019

COST OF GOLD SOLD

Year Ending December 31, 1991 (Actual)	Cash Cost	Non-Cash Cost	Percent of Total Ounces
Alligator Ridge	\$ 156	\$ 10	35%
Casino/Winrock	265	59	52%
Green Springs	227	32	13%
Yankee	0	0	0
Weighted Average	\$ 218	\$ 37	100%

Year Ending December 31, 1992 (Projected)			
Alligator Ridge	\$ 260	\$ 15	25%
Casino/Winrock	251	79	47%
Green Springs	0	0	0
Yankee	264	65	28%
Weighted Average	\$ 258	\$ 59	100%

LETTER TO STOCKHOLDERS

Gold production for the third quarter was a record 15,727 ounces, including a record month during August of 5,939 ounces. Cash operating costs were significantly impacted, averaging \$192 per ounce for the period.

Unfortunately, the declining market price for gold continues to have a negative impact on our earnings. Average price realized per ounce of gold sold for the third quarter was \$359 compared to \$370 in 1991. For the first nine months of 1992, average price of gold realized was \$364 per ounce compared to \$381 in 1991. Average spot gold price for the first nine months of 1992, basis The London P.M. fix, was approximately \$346 per ounce.

Net earnings for the quarter were \$303,000 compared to \$220,000 for the third quarter of 1991. For the first nine months of 1992, net earnings were \$69,000 compared to \$798,000 during 1991.

USMX remains in strong financial condition with working capital at September 30, 1992 of \$11.6 million or \$0.78 per share and stockholders' equity of \$20.2 million or \$1.35 per share. The current ratio (the relationship of current assets to current liabilities) stands at 6.8 to 1.

USMX is continuing its efforts to evaluate and acquire economically attractive properties in the western United States and Latin America that will enhance the Company's ability to grow significantly. These properties include both precious and base metal situations. Of particular note are the earlier reported acquisitions in northern Sonora, Mexico, of the Nocha Buena disseminated gold property and the potentially significant Samalayuca copper prospect in the State of Chihuahua, Mexico. Physical evaluation of these prospects, including drilling, will be initiated shortly.

Of further note is the recent acquisition of the Amargosa base metal property, primarily important for its above-average grade zinc, situated in northern Chihuahua. MXUS S.A. de C.V., USMX's wholly owned subsidiary, will evaluate this prospect in early 1993.

Exploration and acquisition efforts are currently in progress with respect to several other properties in the United States and Latin America. We are very optimistic that several of the precious and base metal situations recently identified by USMX will provide exciting results over the next twelve month period, and hopefully near-term additions to production.

James A. Knox

James A. Knox
President & CEO
October, 1992

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)	Sept. 30, 1992 (Unaudited)	Dec. 31, 1991
ASSETS		
Cash and equivalents	\$ 3,889	\$ 5,523
Other current assets	9,758	8,617
Property, plant & equipment - net	11,461	11,690
Other assets	428	365
	\$ 25,536	\$ 26,195
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	\$ 2,010	\$ 2,713
Long-term liabilities	1,598	1,680
Common stock subject to potential put	1,750	1,750
Stockholders' equity		
Common stock	15	15
Additional paid-in capital	15,783	15,728
Retained earnings	4,380	4,309
	\$ 25,536	\$ 26,195

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(Amounts in Thousands, Except Per Share Amounts)	Three Months Ended September 30, 1992 1991		Nine Months Ended September 30, 1992 1991	
Sales	\$ 5,674	\$ 5,181	\$11,992	\$12,113
Cost of sales	5,037	3,997	10,455	9,064
Gross profit	637	1,184	1,537	3,049
Operating expenses	950	1,228	2,677	2,848
Income (loss) from operations	(313)	(44)	(1,140)	201
Other income, net	279	320	798	798
Income (loss) before income taxes	(34)	276	(342)	999
Income tax provision (benefit)	(337)	87	(411)	304
Income before extraordinary item	303	189	69	695
Extraordinary item	-	31	-	103
Net income	\$ 303	\$ 220	\$ 69	\$ 798
Net income per share	\$ 0.020	\$ 0.016	\$ 0.005	\$ 0.057
Weighted average shares outstanding	14,942	13,916	14,902	13,906

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(Amounts in Thousands) Nine Months Ended September 30,	1992	1991
Net cash provided by operations	\$ 1,031	\$ 3,210
Net cash provided by (used in) investing activities:		
Capital additions and property acquisitions	(4,007)	(3,626)
Proceeds from sale of property and equipment	1,382	—
Other	(63)	(354)
	(2,688)	(3,980)
Net cash provided (used) in financing activities	23	(50)
Net decrease in cash and equivalents	\$ (1,634)	\$ (820)

	Nine Months Ended September 30,	1992	1991
Supplemental Disclosure of Cash Flows Information			
Cash paid during the period for:			
Interest	\$ 9	\$ 1	
Income taxes net of refunds	\$ 11	\$ 404	

THE COMPANY

USMX is in the business of exploring, acquiring, developing and operating mineral properties in North and Latin America. USMX currently holds a portfolio of mineral properties which it explores from its offices in Denver, Reno, Ely and Tucson. The Company's stock is listed on the NASDAQ National Market System under the symbol "USMX".

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